

From: George Schussel To: Ed DeFranceschi

Date: 3/4/98 Time: 8:38:00 AM

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# DCI FAX COVER PAGE

To: Ed DeFranceschi		From : George Schussel
Fax Number : 1/617/723-4640		Company : DCI
Date : 3/4/98	Time : 8:38:00 AM	For Information Call: 1-978-470-3870
Subject :		Fax Number : 1-978-470-2002

Hi Ed:

Attached is my response (draft) to Kelley's questions 1 - 3. The Key issues are several, but include the fact that I owned only 1 out of 12,000 shares. And, of course, the conversations that Diane and I had with Griffin.

Please call me today with your reactions to the attached. I also have a couple of questions for you. Call before 10:30 this morning or between 1:30p and 3:00p. Or call tomorrow.

On the stock documentation, I am not sending you all I have, just a sample for you to peruse. We will send you complete documentation when we have finished generating the answers for questions 4 - 7.

Thanks,  
Geo

**Log A**  
**Doc 3**

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George Schussel  
Chairman & CEO

March 4, 1998

Edward DeFranceschi  
Via Fax, 617/723-4640

Re: answers to questions 1., 2., and 3. On form 4564, dated February 24, 1998.

I, personally, have no relationship with DCIL. I am not aware of any Employer Identification Number. DCIL, to my knowledge, was not an American corporation. I was not responsible for, nor do I have any copies of DCIL corporate tax returns. As a corporation in good standing in its home domicile, I assumed that its taxes were paid.

In the 1987 timeframe when DCIL was formed, I was one of the incorporators. That informal term means that I was one of about 20 individuals and companies involved in its founding.

In exchange for my efforts in helping found the company, I received 1 share of stock out of a total capitalization of 12,000 shares. In any practical sense, then, I was not ever a stockholder in DCIL. Attached in a follow on fax to this letter are copies of the corporation's stock certificates.

I never received any dividends or capital gains from my ownership of the one share of stock. To my knowledge that one share of stock has no value at this time.

The goal of DCIL was to become an international software and systems integration consulting company. Their services were employed in the 1980's and the early 1990's by DCI in three primary fashions:

1. Creating and selling events in international locations for DCI.
2. Selling DCI services as a manager of annual meetings for user groups
3. Generating original ideas for new events in the USA and international locations.

DCI discontinued its business relationship with DCIL in 1995 and I have not talked with anyone there in over 2 years.

In 1991/1992 DCI was examined by the IRS for the tax years, 1986, 1987, 1988, 1989 and 1990. Our tax examiner, Mr. Griffin became aware of the DCI relationship with DCIL by seeing checks deposited to the Bermuda corporation, in much the same manner that Ms. Kelley encountered. In a discussion with our controller, Diane Reed, he inquired about the relationship and purpose of the checks and was referred to me for further information. I then had a meeting with him where he reviewed our contracts, and the transactions and relationships between DCI and DCIL. I provided him with the complete file which I had in my possession at that time. Although the closeness of names of the two corporations naturally raised questions, he was satisfied that DCI was following correct procedures and mentioned to me that as a Bermuda corporation, DCIL needed to follow Bermuda tax regulations. He also subsequently mentioned to Diane that if the IRS wished to audit or investigate DCIL that would be a separate matter from the audit we were undergoing and that he would let us know if that were the case. He never brought up the subject again and, therefore, we proceeded on the assumption that there were no problems or remaining issues on this topic.

In a follow on fax to this letter, I have attached a letter from the IRS summarizing the results of that audit.